GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

STARRED QUESTION NO:358
ANSWERED ON:14.12.2009
RURAL ROAD DEVELOPMENT SCHEME
Kodikunnil Shri Suresh

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the rise in prices of steel, cement and bitumen prices may likely derail the ongoing rural roads development scheme under the Bharat Nirman Programme;

(b) if so, the reaction of the Government thereon; and

(c) the remedial measures taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF RURAL DEVELOPMENT(DR. C. P. JOSHI)

(a) to (c) A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of the Lok Sabha Starred Question No.358 due for reply on 14/12/2009.

(a) to(c): Increase in the prices of steel, cement and bitumen does affect the rural roads development schemes under the Bharat Nirman Programme.However,contracts for construction of roads are fixed price contracts and hence changes in the prices of steel,cement and bitumen subsequent to award of contract does not affect the contract value.The Ministry of Rural Development permits States on case to case basis to revise the estimated cost of projects in order to accommodate increase in the prices of steel, cement & bitumen upto 75 days from the date of clearance issued by the Ministry.This revision is allowed only for projects which have not been awarded.